COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE RELIABILITY)
OF THE NATURAL GAS SUPPLY FOR) CASE NO. 2000-346
STEPP BRANCH GAS COMPANY AND)
ALLEGED VIOLATIONS OF KRS 278.300)

<u>ORDER</u>

On November 1, 2000, the Commission entered an Order containing the stipulations of Stepp Branch Gas Company ("Stepp Branch") that were documented at the formal hearing on September 19, 2000. Pursuant to those stipulations, the Commission ordered Stepp Branch to cease operations as a natural gas distribution company on or before April 1, 2001.

On March 23, 2001, Commission Staff met with Stepp Branch, several of its customers, and local officials to discuss an extension of the date upon which Stepp Branch must cease providing natural gas service to customers as a local distribution company. The Commission is advised that an extension of time is requested because most of the 47 customers of Stepp Branch have not switched to an alternative source of home heating.

Based upon the foregoing and upon its own motion, the Commission HEREBY ORDERS that:

1. Ordering paragraph 6 of the November 1, 2000 Order is modified to reflect that the date upon which Stepp Branch shall cease operations as natural gas distribution company is June 1, 2001, rather than April 1, 2001.

2. Ordering paragraph 7 of the November 1, 2000 Order is modified to reflect the date of June 1, 2001, rather than April 1, 2001.

3. Stepp Branch shall give notice to its customers that the date by which it is to remove its gas meters, seal its service lines, and cease operations as a local distribution company has been extended to June 1, 2001.

Done at Frankfort, Kentucky, this 26th day of March, 2001.

By the Commission

ATTEST:

Deputy Executive Directo